

# Changes in Turkish Capital Markets Legislation – 2022

January 2023

*We summarized the important regulatory changes affecting Turkish capital markets in 2022 for you:*

## Amendments in December

- **Changes in BIST Stock Indices Rules**

Borsa İstanbul A.Ş. (“BIST” or “Borsa İstanbul”) amended the BIST Gold-Backed Indices Rules by assessing the requests received from market participants and in line with the developments in the markets and changes arising from domestic and international legislation. These amendments and the current version of these rules were announced on the Borsa İstanbul website.

- **Equity Market Distribution Among Markets**

As a result of the evaluation on the categorization of the shares in the markets, BIST determined the shares to be traded in the Star Market, Main Market and Sub-Market for 2023 on 2 January 2023 and announced the lists on its website.

- **Launch of BIST Sustainability 25 Index Futures Contracts for Trading on Derivatives Market**

Borsa İstanbul decided to launch the trading of the BIST Sustainability 25 Index future contracts in Derivatives Market on 13 January 2023 in the normal session and evening session, with similar contract specifications with other index futures

contracts, provided that no issues arise in the tests to be conducted with market participants. Contract Specifications of the BIST Sustainability 25 Index Future Contracts were announced on the Borsa İstanbul website.

- **Changes in TLREF Rules**

Borsa İstanbul amended the TLREF Turkish Lira Overnight Reference Interest Rate Rules by assessing the requests received from market participants and in line with the developments in the markets and changes arising from domestic and international legislation. These amendments and the current version of the ground rules were announced on the Borsa İstanbul website.

- **Amendment to the General Regulation on the Establishment and Operating Principles of Central Clearing Institutions**

The Capital Markets Board of Turkey (“CMB” or “Board”) amended the General Regulation on the Establishment and Operating Principles of Central Clearing Institutions. The amended regulation stipulates that “the appointment of a representative residing in Turkey with sufficient professional experience and the integrity and reputation required by the business” is



adequate for the recognition of foreign central clearing institutions (“CCIs”) that will serve as CCIs for over-the-counter derivatives in Turkey. The previous requirement for the establishment of a representative office consisting of at least three authorized persons is abrogated. The amendment entered into force on 30 December 2022.

- **2023 Real Estate Valuation Minimum Price Tariff and Application Principles**

The CMB determined the “2023 Real Estate Valuation Minimum Price Tariff” and the “Principles of Minimum Price Application for Real Estate Valuation” in relation to the valuation services to be provided by the members of the Association of Valuers of Turkey. The regulations were published in the Official Gazette dated 30 December 2022 and numbered 32059.

- **Board Decision on Amounts Subject to Revaluation**

The Board announced the revaluation rate for 2023 as 122.93% for the amounts subject to revaluation under the Capital Markets Law No. 6362 and its secondary legislation and announced the table of adjusted amounts in the CMB Bulletin numbered 2022/74.

- **Amendments in Mandatory Reserves Communiqué**

Pursuant to the amendments in the Mandatory Reserves Communiqué, the provisions allowing to hold mandatory reserves for Turkish lira liabilities in USD and/or Euro or in gold was terminated effective as of 23 June 2023. Moreover, Article 10/B of the Communiqué regarding the differentiation based on conversion rate was abrogated effective as of 23 December 2022. The amendment regulation was published in the Official Gazette dated 31 December 2022 and numbered 32060/5.

## Amendments in November

- **Changes in BIST Stock Indices Rules**

Borsa İstanbul amended the BIST Market Cap Weighted Stock Indices Rules and BIST Non-Market Cap Weighted Stock Indices Rules by taking into consideration the requests received from market participants and in line with the developments in the markets and changes arising from domestic and international legislation.

These amendments and the current versions of the rules were announced on the Borsa İstanbul website.

- **Principles Regarding the Trading of Commodity Certificates on the BIST Equity Market**

Within the framework of the amendments made to the BIST Listing Directive, the trading principles of commodity certificates to be traded in the Commodity Market established under the Equity Market were determined and commodity certificates started to be traded in the relevant market as of 21 November 2022. Trading Principles of Commodity Certificates in Borsa İstanbul Equity Market were published on the BIST website.

- **New BIST Sustainability 25 Index and BIST Participation Dividend Index**

Borsa İstanbul introduced two new indices to be calculated as of 21 November 2022. It was announced that the BIST Sustainability 25 Index was formed by selecting large and liquid companies among companies with high sustainability performance, while the BIST Participation Dividend Index was formed with the companies that meet the selection criteria of the BIST Participation All and BIST Dividend indices together.

- **Mint Gold Certificates Started to be Traded on BIST Equity Market Commodity Market**

Mint Gold Certificates issued by the Republic of Turkey Ministry of Treasury and Finance General Directorate of Mint and Stamp Printing House started to be traded on the Commodity Market under the BIST Equity Market as of 21 November 2022.

- **Changes in BIST Derivatives Market**

Borsa İstanbul made various changes in the Derivatives Market (“VIOP”), such as updating the market making spread and minimum order sizes, updating the grouping for market making rights and obligations, updating the strike price increments of index and foreign currency option contracts and redetermining the trading volume coefficients, effective as of 2 January 2023. The updated Derivatives Market Procedure was announced on the Borsa İstanbul website.



## Amendments in October

- **Amendments to the Guidelines on Investment Funds and Guidelines on Retirement Investment Funds**  
The CMB amended the Guidelines on Investment Funds, and the updated versions of these Guidelines were published on the Board's website.
- **Board Announcement on Authorized Institutions for Valuation of Assets Other than Real Estate and Machinery and Equipment**  
The Board introduced the "List of Institutions Authorized to Value Assets Other than Real Estate" and the "List of Institutions Authorized to Value Machinery and Equipment"; and provided information on the issues identified by the Board in practice that require attention.
- **Resolution regarding the Communiqué on Principles of Establishment and Activities of Investment Institutions (i-SPK.37.6)**  
The CMB stated that the provision of the communiqué stipulating that the trade names of intermediary institutions may be modified only in case of a change in share ownership leading to a change of control in order to indicate the change in share ownership or to fulfil other legal obligations would be fully applicable and added this point as a separate heading to the Guideline on Investment Services and Activities and Investment Institutions. Furthermore, it was resolved that it is also possible to change the trade name if the trade name of the controlling shareholder of the intermediary institution changes.
- **Changes in Exchange Fee Schedule and Market Making System Applicable to Warrants and Certificates**  
Borsa İstanbul introduced new practices regarding the exchange fee schedule and the discounts to be determined on the basis of transaction and performance assessment in the market making system in order to increase the efficiency of market making activity and market functioning in relation to the warrant and certificate transactions. Effective as of 1 December 2022, these changes were announced on Borsa İstanbul's website.

## Amendments in September

- **Equity Market Categorization in Markets**  
As a result of the evaluation on the categorization of the shares in the markets, BIST determined the shares to be traded in the Star Market, Main Market and Sub-Market as of 3 October 2022 and announced the lists on its website.
- **Draft Communiqué on the Companies Whose Shares will be Traded on the Venture Capital Market**  
CMB introduced the "Draft Communiqué on the Companies Whose Shares will be Traded on the Venture Capital Market" and asked the public opinion regarding the draft. The Draft Communiqué allows the issuance and sale of shares of private companies to qualified investors without an initial public offering with the offered shares being traded on the newly established Venture Capital Market under the Equity Market of Borsa İstanbul. The Draft Communiqué regulates the general principles regarding the sale of shares of private companies to qualified investors through capital increase and without a public offering, the obligations of the companies after the issue, the rules on financial reporting, independent audits and material events disclosures, and exemptions.  
  
For more information about this subject you may refer to our detailed client alert published at: <https://www.baseak.com/en/insights/articles/2022/september/27/draft-communique-on-the-companies-whose-shares-will-be-traded-on-the-venture-capital-market>
- **Amendments in Derivatives Market Procedure**  
Borsa İstanbul amended the regulations on launch of opening session and end of session time in the Derivative Market Procedure which will be effective as of 23 September. Updated Derivative Market Procedure was published on the BIST website.
- **Periodic Changes to the BIST Stock Indices**  
BIST announced the changes in BIST 100, BIST 50, BIST 30, BIST Liquid Banks, BIST Liquid 10 Ex Banks and BIST Sustainability Indices for the third quarter of 2022 on its website.
- **Amendments in Regulations on BIST Money Market**  
Borsa İstanbul amended Money Market Directive and Money Market Procedure, which will be effective as of 26 September. The article on the

exemption of Takasbank from the obligations in relation to the acceptance of membership and grant of authorization to trade stipulated under Exchange regulations. The amendments in the relevant regulations were published on the BIST website.

- **Periodic Changes to the BIST-KYD Corporate Eurobond Indices**

BIST completed the studies on Eurobonds regarding BIST-KYD Corporate Eurobond Indices for the period October-December 2022 and determined that the same lists will continue to be used.

- **Periodic Changes to the BIST-KYD Fund Eurobond Indices**

BIST completed the studies on Eurobonds regarding BIST-KYD Fund Eurobond Indices for the period October-December 2022 and announced the lists of included/excluded funds and lists of constituents in BIST-KYD Fixed Income Fund Index and BIST-KYD Equity Fund Index on its website.

- **Changes to BIST Participation Indices**

BIST changed the shares to be included in the BIST Participation All, BIST Participation 100, BIST Participation 50, BIST Participation 30 and BIST Sustainability Participation indices for the period 1 May – 30 September 2022. The said changes were announced on the BIST website.

- **Financial Benchmarks Directive Compatible with IOSCO Principles and Related Procedures**

Borsa İstanbul announced the “Financial Benchmarks Directive Compatible with IOSCO Principles” which was prepared to regulate the procedures and principles regarding the creation, calculation, publication, execution, auditing and management of financial measures in line with the basic principles of the International Organization of Securities Commissions on financial benchmarks. In addition, Borsa İstanbul announced Financial Benchmarks Management Procedure, Procedure for Preventing Conflicts of Interest in relation to Financial Benchmarks, Notice Procedure for Financial Benchmarks, Complaint Procedure for Financial Benchmarks prepared based on the said Directive in order to comply with the basic principles.

## Amendments in August

- **Amendments in Regulations on Precious Metals**

Borsa İstanbul amended the (i) Precious Metals Market and Precious Metals Lending Market Directive and (ii) Precious Metals and Precious Stones Market Procedure. As per these amendments, the definition of conversion transactions is expanded to cover not only gold but also all precious metals. Moreover, in addition to the USD and Euro in the Precious Metals Market, other effective and foreign currencies accepted by Takasbank are considered as collateral. The aforementioned amendments were announced on the BIST website.

- **Information Request on Participation Finance Principles**

Borsa İstanbul announced a new submission template called “Participation Finance Principles Information Form” within the framework of its studies on BIST Participation Indices. The questions in the new template must be answered in line with the explanations published by the Participation Banks Association of Türkiye and the explanations in the template. Finalized templates will be made publicly available on KAP.

- **CMB Annual Report for 2021**

CMB published its annual report for 2021. The report contains information on the activities carried out by the CMB in 2021, regulatory changes made, an evaluation of the capital markets in Turkey and ongoing efforts for upcoming regulatory changes. You may find this report at: <https://www.spk.gov.tr/Sayfa/Dosya/1367>

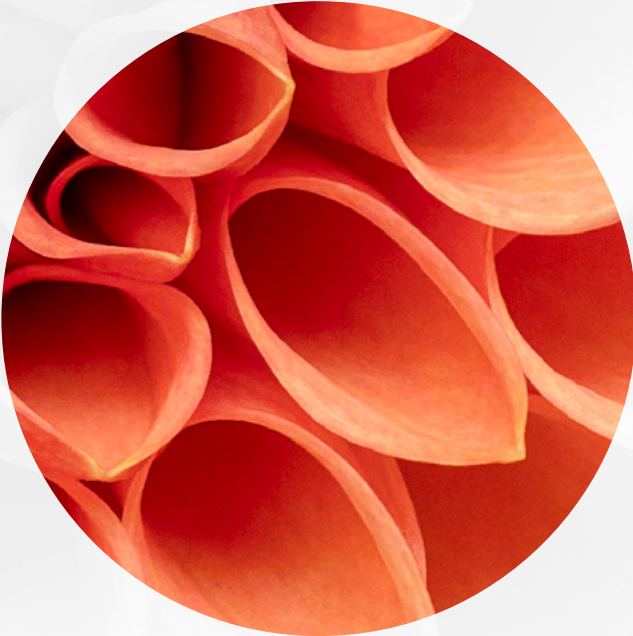
- **Amendments in Mandatory Reserves Communiqué**

As per the amendments in the Mandatory Reserves Communiqué, the reserve requirement rate for assets subject to reserve requirements will be applied as 0 percent for the banks. This rate will continue to be applied as 20 percent for financing companies. Furthermore, the legal person conversion rate will also be calculated for banks in addition to the real person conversion rate under the article on differentiation based on conversion rate.



## Amendments in July

- **Amendments in the Equities Subject to Trading at Equity Repo Market**  
Borsa İstanbul amended the scope of the shares in BIST 30 index that are currently traded in the Equity Repo Market and broadened the scope of shares to be subject to repo transactions at Equity Repo Market so that it will include the shares in BIST 50 index, which will be effective as of 4 July 2022.
- **Decision on Real Estate Valuation Minimum Price Tariff and Application Principles**  
CMB updated the “2022 Real Estate Valuation Minimum Price Tariff” to be effective as of 1 August 2022, and the new tariff was published in the Official Gazette. It was decided that the “Principles of Minimum Price Application for Real Estate Valuation” will be continued to apply as is.



## Amendments in June

- **Changes to Procedural Rules in Derivatives Market**  
BIST amended the procedural rules in Derivatives Market and announced the current Derivatives Market Procedure on its website.
- **Changes Regarding Opening Session at Derivatives Market and End of Session Time of Futures and Options Contracts**  
BIST had announced the plans to implement an opening session before the normal session for the contracts at the Derivatives Market and to simultaneously change the end of normal sessions of stock futures and options contracts and had asked for public comments in May. Considering the positive feedback from the majority of the members, BIST announced the rules for these changes and determined that the new sessions will be effective as of 23 September 2022 in the event that no obstacles occur during the tests and final process.
- **Measures to Strengthen Financial Stability**  
In parallel with the press release of the Ministry of Treasury and Finance of the Republic of Turkey with regards to the measures to strengthen financial stability, some updates were made by the BIST and the CMB. In this context, the BIST Commodity Market was established, BIST started its studies on the issuance of gold certificates and the following reductions were made in the CMB fees for the public offering of shares. It was decided that the CMB fees will be reduced:
  - (a) by 50%, if the amount allocated and sold to foreign investors (“Sales Abroad”) corresponds to at least 20% of the value of the shares subject to capital increase;
  - (b) by 90%, if the amount of Sales Abroad corresponds to at least 40% of the value of the shares subject to capital increase; and
  - (c) by 50% in the event that capital markets instruments (other than shares) are issued abroad.

It was also decided that the public offerings involving Sales Abroad will be prioritized and that no fees will be requested for the issuances of shares of private companies abroad.

- CMB Decision on the Communiqué numbered II-5.1 on Prospectus and Issue Document**  
 As per the CMB decision dated 9 June 2022 and numbered 30/877, the CMB extended the commencement of sale period in relation to initial public offerings to 30 June 2022, for which the three-month interim financial statements dated 31 March 2022 could be used.
- Amendments in Mandatory Reserves Communiqué**  
 As per the subparagraph added to the Communiqué, loans existing as of 23 April 2022 that are received by financing companies from domestic banks will not be included in the list of obligations subject to reserve requirements until the end of their maturities.
- Updates to Precious Metals and Precious Stones Market Procedure**  
 BIST announced the updated Precious Metals and Precious Stones Market Procedure on its website.
- Precedent Clarifying the Collection of Demands Subject to Margin Transaction in Initial Public Offerings and Margin Transactions of Capital Market Instruments (i-SPK.45.5)**  
 CMB published a new precedent clarifying the precedent dated 24 March 2022 and numbered 14/461 on the rules and principles of collecting demands by margin transactions by intermediary institutions in relation to initial public offerings and other capital markets instruments. The clarifying precedent was published in the Board's weekly bulletin numbered 2022/30.
- Equity Market Categorization in Markets**  
 As a result of the evaluation on the categorization of the shares in the markets, BIST determined the shares to be traded in the Star Market, Main Market and Sub-Market as of 1 July 2022 and announced the lists on its website.
- Turkish Lira Overnight Participation Reference Rate**  
 BIST announced that the Turkish Lira Overnight Participation Reference Rate ("TLREFK") which can be used as underlying asset or benchmark for comparison in relation to certain debt instruments, financial products and financial contracts will be calculated and published as of 22 June 2022. TLREFK Rules were published on the BIST website.
- Periodic Changes to the BIST Stock Indices**  
 BIST announced the changes in BIST 100, BIST 50, BIST 30, BIST Liquid Banks, BIST Liquid 10 Ex Banks and BIST Sustainability Indices for the third quarter of 2022 on its website.
- Precedent on Buying-Back Shares (i-SPK.22.6)**  
 As per the CMB decision dated 23 June 2022 and numbered 34/959 s.k., the CMB determined that the price order given for buy-back transactions by public companies whose shares are traded on the stock exchange cannot be higher than the current highest bid price pending in the system.
- CMB Decision on the Sustainability Report Template**  
 CMB published a Sustainability Report template to be used as of the year 2022 for the disclosures to be made within the scope of the compliance with sustainability principles of the companies whose shares are traded in the BIST Main Market, Star Market and Sub-Market in accordance with the Communiqué on Corporate Governance. The Sustainability Report template was published in the Board's weekly bulletin numbered 2022/32.
- Periodic Changes to the BIST-KYD Corporate Eurobond Indices**  
 BIST completed the studies on Eurobonds regarding BIST-KYD Corporate Eurobond Indices for the period July-September 2022 and determined that the same lists will continue to be used.
- Amendments in Takasbank Central Settlement Regulation**  
 In parallel with the amendments in the Takasbank Central Counterparty Regulation effective as of 24 May 2022, the CMB amended the İstanbul Takas ve Saklama Bankası Anonim Şirketi Central Settlement Regulation. Following this amendment, the commodity certificates issued by the General Directorate of Minting and Printing of the Ministry of Treasury and Finance of the Republic of Turkey are now considered as a security for transaction. The amendments are effective as of 24 June 2022.



- **Istanbul Finance Center Law**

Istanbul Finance Center Law numbered 7412, which regulates the management and operating of the Istanbul Finance Center (“IFC”), financial activities to be provided in the IFC and the incentives, deductions, exemptions and exceptions to apply to these activities, was published in the Official Gazette on 28 June 2022 and came into force upon its publication. The law mainly aims to increase financial competitiveness of Turkey, to strengthen integration into international financial and capital markets, to develop high value-added financial products and services and to promote IFC as an international finance center.

For more information about this subject you may refer to our detailed client alert published at: <https://www.baseak.com/en/insights/articles/2022/june/29/new-regulations-introduced-by-istanbul-finance-center-law>

- **Periodic Changes to the BIST-KYD Fund Eurobond Indices**

BIST completed the studies on Eurobonds regarding BIST-KYD Fund Eurobond Indices for the period July-September 2022 and announced the lists of included/excluded funds and lists of constituents in BIST-KYD Fixed Income Fund Index and BIST-KYD Equity Fund Index on its website.



## Amendments in May

- **Amendments in Mandatory Reserves Communiqué**

As per the provisional article added to the Communiqué, the reserve requirement rate for foreign currency obligations and Turkish Lira obligations was applied as 0 percent until 13 May 2022.

- **Updates to BIST Stock Indices Ground Rules**

Borsa İstanbul updated the BIST Market Cap Weighted Stock Indices Ground Rules and BIST Market Cap Not Weighted Stock Indices Ground Rules and published the amended ground rules on the BIST website.

- **Changes to BIST SME Industrial Index**

BIST announced the changes in the shares to be included in BIST SME Industrial Index for the period 1 June 2022 – 31 May 2023 on its website.

- **Changes to BIST Sector Indices**

BIST modified the current sector classification system and indices in order to split and regroup some activities within the same sector. These changes, which were published on the BIST website, are effective as of 1 June 2022.

- **Amendments in Takasbank Central Counterparty Regulation**

CMB amended the İstanbul Takas ve Saklama Bankası Anonim Şirketi Central Counterparty Regulation effective as of 24 May 2022. Following this amendment, the commodity certificates issued by the General Directorate of Minting and Printing of the Ministry of Treasury and Finance of the Republic of Turkey are now included in the list of securities that can be provided to the İstanbul Takas ve Saklama Bankası Anonim Şirketi (“Takasbank”) by the central counterparty (“CCP”) members that are party to CCP transactions.

- **Changes to Market Making Rules in Derivatives Market**

BIST announced the amendments in the Derivatives Market Making program which will be effective as of 1 July 2022 on its website. In this context, grouping of market maker rights and obligations in futures contracts were amended.

## Amendments in April

- **Updates to Precious Metals and Precious Stones Market Procedure**

Borsa İstanbul amended the Precious Metals and Precious Stones Market Procedure regarding transfers and implementation within the scope of the Communiqué on Bringing Gold-Denominated Physical Assets to the Financial System. The said amendments were published on the BIST website.

- **Amendments in Communiqué on Principles Regarding Investment Services, Activities and Ancillary Services**

CMB updated the activities to be considered as investment advisory via amendments in the Communiqué numbered III-37.1 on Principles Regarding Investment Services, Activities and Ancillary Services. Following this amendment, pension companies will have the ability to provide investment advice limited to the shares of private pension funds, and these activities will not be considered as investment activities. In addition, investment advice regarding investment funds or pension investments funds traded on the Private Pension Fund Trading Platform or the Turkish Electronic Fund Distribution Platform will be deemed as an exception to investment advisory activities. However, certain principles and procedures will apply to such advice. These amendments were published in the Official Gazette on 7 April 2022 and entered into force on the same date.

- **Precedent on Crowdfunding Communiqué (i-SPK.35/A.2.1)**

CMB determined that the compliance of the use of funds collected through share-based crowdfunding with the purposes indicated in the information form will be audited and controlled within the scope of GDS 3000 standards by an independent audit firm listed in accordance with the Capital Markets Law. By this way, a reasonable or limited assurance audit report would need to be provided.

- **Precedent on Guideline on Investment Funds (i-SPK.52.4.ae)**

CMB amended the Guideline on Investment Funds which was adopted by the CMB decision numbered i-SPK.52.4. Following this amendment, the Exchange Traded Commodities (“ETC”) meeting certain conditions may now be included in portfolios as structured investment vehicles. In addition, the CMB decided that the funds other than the independent funds or those with the word “commodity” in their titles can only invest in precious metals or ETCs backed by precious metals indices or Exchange Traded Notes backed by assets specified in Article 7.3 of the Guideline.

- **Amendments in Mandatory Reserves Communiqué**

As per the amendments in the Mandatory Reserves Communiqué, cash loans in Turkish Lira, the principles of which are determined by the Central Bank of the Republic of Turkey on the basis of the accounting standards and recording system to which banks and financing companies are subject, were defined as assets subject to reserve requirements and included in the list of items subject to reserve requirements. The reserve requirement rate for these assets will be 10 percent.

- **Changes to BIST Participation Indices**

BIST changed the shares to be included in the BIST Participation All, BIST Participation 100, BIST Participation 50, BIST Participation 30 and BIST Sustainability Participation indices for the period 1 May – 30 September 2022. The said changes were announced on the BIST website.

- **Precedent on Corporate Governance Compliance Reports and Corporate Governance Information Forms (i-SPK.17.7.a)**

CMB determined that companies subject to the corporate governance regulations of the Communiqué on Corporate Governance due to a market change will be subject to the obligations of the companies in the third group until the list determining the groups is announced within the scope of the Communiqué and that the compliance with principles relevant to the new group must be ensured as of the date of the first meeting of general assembly following the date where the shares of the company started being traded in the relevant market. In addition, the CMB decided that the obligation to prepare



the Corporate Governance Compliance Report (“URF”) and Corporate Governance Information Form (“KYBF”) will be fulfilled by the companies whose shares to be traded in the BIST for the first time or the companies becoming subject to the corporate governance regulations of the Communiqué due to a market change in the year following the year where the shares of the company started being traded in the relevant market. Lastly, the relevant sections of URF and KYBF forms were updated in accordance with the opportunity to hold board of directors’ meetings electronically.

## Amendments in March

- **Authentication and Process Security Section Added to the Guideline on Investment Services and Activities and Investment Institutions**

CMB added a section titled identity authentication and process security in the Guideline on Investment Services and Activities and Investment Institutions In this context, CMB granted time to institutions until 31 2022 to complete the necessary infrastructure works in order to ensure their compliance.

- **Amendments to Debt Securities Market Procedure and Swap Market Procedure**

BIST published the amendments to Debt Securities Market Procedure and Swap Market Procedure in relation to trade cancel requests and an increase in maximum order size to be entered once in Repo Market for Specified Securities. The amendments are effective as of 7 March 2022.

- **Launch of Physically Delivered Government Bond Futures Contracts on Derivatives Market**

BIST launched the Physically Delivered Government Bond Futures Contracts in Derivatives Market as of 15 March 2022. BIST announced that the Physically Delivered Government Bond Futures Contracts will be backed by government domestic debt securities with a maturity of 2023, 2026 and 2030.

- **Equity Market Categorization in Markets**

As a result of the evaluation on the categorization of the shares in the markets, BIST determined the shares to be traded in the Star Market, Main Market and Sub-Market as of 1 April 2022 and announced the lists on its website.

- **Precedent on Collection of Demands Subject to Margin Transaction in Initial Public Offerings and Margin Transactions of Capital Market Instruments**

CMB determined new rules and principles of collecting demands by margin transactions by intermediary institutions in relation to initial public offerings and other capital markets instruments. New rules to be followed by the intermediary institutions regarding margin transactions were published in the Board’s weekly bulletin numbered 2022/14.

- **Periodic Changes to the BIST-KYD Corporate Eurobond Indices**

BIST completed the studies on Eurobonds regarding BIST-KYD Corporate Eurobond Indices for the period April-June 2022 and determined that the same lists will continue to be used.

- **Periodic Changes to the BIST-KYD Fund Eurobond Indices**

BIST completed the studies on Eurobonds regarding BIST-KYD Fund Eurobond Indices for the period April-June 2022 and announced the lists of included/excluded funds and lists of constituents in BIST-KYD Fixed Income Fund Index and BIST-KYD Equity Fund Index on its website.

## Amendments in February

- **Remote Identification Communiqué and Documentation and Record-Keeping System Communiqué**

CMB enacted two communiques to allow the relations between the intermediary institutions and portfolio management companies and their customers to be established in writing or via remote communication devices:

- (1) The Communiqué on Remote Identification Methods to be Used by Intermediary Institutions and Portfolio Management Companies and Establishment of Contractual Relations in Electronic Environment (“**Remote Identification Communiqué**”) and
- (2) Amending Communiqué on Documentation and Record-Keeping System Regarding Investment Services and Activities and Ancillary Services (“**Documentation and Record-Keeping System Communiqué**”).

Remote Identification Communiqué introduces procedures and principles regarding the remote identification methods to be implemented in new customer acquisition by the intermediary institutions and portfolio management companies and principles for establishing a contractual relationship over either electronic communication devices as a substitute for the written form or through a distance agreement. Accordingly, minimum conditions in relation to the completion of the remote identification and establishment of contact, rules on the system security and requirements for remote identification process were determined. The Documentation and Record-Keeping System Communiqué regulates the requirements for agreements to be executed electronically with customers and introduces identity authentication mechanism. In addition, the account statement may now be requested electronically.

- **Validity Extension of Q3 Financials for Initial Public Offerings**

As per the CMB decision dated 10 February 2022 and numbered 7/198, CMB determined that nine-month interim financial statements dated 30 September 2021 may be used in initial public offerings in relation to the sales period between 1 January – 28 February.

- **Precedent on Guideline on Investment Funds (i-SPK.52.4.ad)**

CMB amended the Guideline on Investment Funds and mandated to include “TL” (*Turkish Lira*) in the title of investment funds that do not hold assets denominated in in foreign currency, gold and other precious metals and capital market instruments backed by such assets.

- **Reminder for Issuers to Obtain LEI (Legal Entity Identifier) Code**

CMB reminded that it is mandatory for issuers to obtain a LEI code during the allocation process of capital markets instruments and reminded that issuers who have not yet obtained a LEI code should complete this process as soon as possible and make the necessary notifications to Central Securities Depository in order to be compliant with the regulations and to avoid administrative sanctions.

- **CMB Green Bond, Sustainable Bond, Green Lease Certificate and Sustainable Lease Certificate Guideline**

Following the “Green Bond and Green Lease Certificate Workshop” which was held on 28-30 June 2021, CMB published the CMB Green Bond, Sustainable Bond, Green Lease Certificate and Sustainable Lease Certificate Guideline with the objectives of increasing the issuance of green bonds and green lease certificate, strengthening investor confidence by transparency and external evaluation obligations and diversifying investment opportunities in projects that contribute to sustainable development. The purpose of the Guideline is to carry out the issuance of green debt instruments, sustainable debt instruments, green lease certificate and sustainable lease certificate in accordance with the best practices and standards in international markets, to protect investors in financing green projects that would contribute to environmental sustainability and to increase transparency, integrity, consistency and comparability.

For more information about this subject you may refer to our detailed client alert published at: <https://www.baseak.com/en/insights/articles/2022/february/28/turkeys-capital-markets-board-introduced-the-green-bond-sustainable-bond>

- **Precedent on CMB Green Bond, Sustainable Bond, Green Lease Certificate and Sustainable Lease Certificate Guideline (i-SPK 128.18)**

As per the precedent numbered i-SPK 128.18, CMB decided to reduce its fees by 50% in relation to the issuance of capital market instruments within the scope of the CMB Green Bond, Sustainable Bond, Green Lease Certificate and Sustainable Lease Certificate Guideline.



## Amendments in January

- **Board Decision on Corporate Governance Groups**

CMB determined the corporate governance groups for listed companies for the year 2022. These groups determine which corporate governance principles will be imposed on public companies in different groups. New groups were published in the CMB Bulletin numbered 2022/2.

- **Precedent on the Communiqué on Principles of Establishment and Activities of Investment Firms (i-SPK.39.3)**

CMB enacted a new precedent stating that deputy general managers to be appointed in information processing or information technologies departments in intermediary institutions may now work without obtaining a license certificate showing their professional qualifications (provided they meet certain criteria), a prerequisite which was set out in the Communiqué on Principles of Establishment and Activities of Investment Firms and the relevant CMB regulations.

- **Amendments in Debt Securities Market Procedure**

BIST included the trading principles regarding gold bonds and gold backed lease certificates issued by the Ministry of Treasury of the Republic of Turkey in the Debt Securities Market Procedure. In addition, Outright Purchases and Sales Market was changed so that the order sizes to be entered once in the market will be increased. The aforementioned changes were published on the BIST website.

- **Communiqué on the Procedures and Principles on the Issuance of Secured Capital Market Instruments**

CMB enacted a communiqué enabling the issuance of secured capital markets instruments to ensure the fulfilment of the obligations arising from such capital market instruments. The Communiqué on the Procedures and Principles on the Issuance of Secured Capital Market Instruments introduces the procedures and principles on the issuance of secured capital market instruments, filing process, assets that can be used as security and the general principles applicable thereon, trust management agreements and its minimum required content, rights and obligations of the trustee and liquidation of securities in an event of default.

For more information about this subject you may refer to our detailed client alert published at: <https://www.baseak.com/en/insights/alerts/2022/january/31/principles-on-the-issuance-of-secured-capital-market-instruments>



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